

OIL AND GAS LEASE

Instr: 201010250041984
P: 1 of 5 F: \$72.00 10/25/2010
Rick Campbell 9:04AM LEAS
Stark County Recorder T20100034833

THIS AGREEMENT, made and entered into this 30th day of September, 2010, by and between E-B Display Company, Inc., whose mailing address is 1369 Sanders Ave. S.W., P.O. Box 650, Massillon, Ohio 44648 and phone number: (330) [REDACTED], hereinafter called the Lessor, and **M & M ROYALTY, LTD.**, 5377 Lauby Road, N.W., Ste. #202, North Canton, OH 44720, hereinafter called the Lessee,

WITNESSETH:

1. That the Lessor, for and in consideration of one dollar (\$1.00) and other valuable consideration in hand paid by the Lessee, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, does hereby lease and let exclusively unto the Lessee, for the purpose of drilling, operation for, producing and removing oil and gas and all the constituents thereof, and to transport by pipelines, or otherwise, across and through the leased premises oil, gas, and their constituents from the leased premises, and of placing of tanks, equipment, roads, and structures thereon to procure and operate for the said product, together with the right to enter into and upon the leased premises at all times for the aforesaid purposes, being all that certain tract of land situated in Section/Lot/District No. 14123 of the City of Massillon, Stark County, Ohio, bounded substantially as follows:

North by lands of: Sanders Ave., HJ Heinz Company, LP, Kel Tek of Ohio Ltd,

East by lands of: Tamar Associates, Hutsell, Kel Tek of Ohio, Ltd, RJT Holdings, Pugliese

South by lands of: Sanders LLC, Pugliese,

West by lands of: Bostic Blvd., Baus, Palmer, Schuler, Sanders LLC

Being all the property owned by Lessor or which the Lessor may have any rights in said Section/Lot/District or adjoining Sections/Lots/Districts, containing 22.4408 acres, more or less; and being the property described in Deed Volume 1115, Page 288, of the Stark County Records of Deeds (the "leased premises").

Upon the completion of the drilling unit, Lessee shall pay Lessor a cash signing bonus of ten thousand dollars (\$10,000.00). If the drilling unit is not completed within ninety (90) days following the date of this Lease, Lessor may terminate this Lease by written notice to Lessee.

The location of any pipelines, tanks, roads and structures related to Lessee's activities under this lease shall be located pursuant to the well plat attached as Exhibit A, which shall be subject to Lessor's prior written approval. Any pipeline which is to be brought onto the leased premises from adjoining lands shall first be subject to mutual agreement by Lessor and Lessee upon a separate pipeline right-of-way agreement, unless the pipeline is removing gas from the well located on the leasehold, in which event the pipeline location shall be subject to Lessor's prior written approval. There shall be no directional drilling without Lessor's prior written approval.

2. This lease shall continue in force and the rights granted hereunder be quietly enjoyed by the Lessee for a primary term of one (1) year from the date of this lease and for a secondary term of so much longer thereafter as oil or gas or their constituents are produced on the leased premises in paying quantities, or as the leased premises shall be operated by the Lessee in the search for oil or gas and as provided in Paragraph 7 following.

3. This lease, however, shall become null and void and all rights of either party hereunder shall cease and terminate unless, within ninety (90) days from the date hereof, a well shall be commenced on the leased premises, or unless the Lessee shall thereafter pay a delay rental of Two Hundred Thirty Dollars (\$230.00) as payment for the remaining duration of the primary term. In the event Lessee has not commenced and completed such drilling operations within the one (1) year primary term of this lease, this lease shall terminate. A well shall be deemed commenced when preparations for drilling have been commenced. If Lessee elects to make the aforementioned delay rental payment, the delay rental payment shall be made to Lessor within thirty (30) days following the expiration of the aforementioned ninety (90) day period, or Lessor shall be entitled to terminate this lease by written notification to Lessee.

4. In consideration of the premises, the Lessee covenants and agrees:

- (A) To deliver to the credit of the Lessor in tanks or pipelines, as royalty, free of cost, the equal One Eighth (1/8) part of all oil and constituents thereof produced and saved from the premises, or at Lessee's option to pay Lessor the market price for such one-eighth (1/8) royalty oil at the published rate for oil of like grade and gravity prevailing on the date such oil is run into tanks or pipelines.
- (B) To pay to the Lessor, as royalty for the gas and constituents thereof marketed and used off the premises and produced from each well drilled thereon, the sum of one-eighth (1/8) of the price paid to Lessee per thousand cubic feet of such gas so marketed and used, measured in accordance with Boyle's Law for the measurement of gas at varying pressures, on the basis of 10 ounces above 14.73 pounds atmospheric pressure, at a standard base temperature of 60° Fahrenheit and stipulated flowing temperature, without allowance for temperature and barometric variations less any charges for transportation or compression paid by Lessee to deliver the gas for sale. Payment of royalty for gas marketed during any calendar month shall be no later than the 30th day after receipt of such funds by the Lessee.

- (C) Lessee to deduct from payments in (A) and (B) above from receipts of proceeds by Lessee, Lessor's pro rata share of any tax imposed by any government body. Lessee shall provide to Lessor sufficient documentation of gross proceeds of the sale of oil and gas, and their respective constituents, together with the applicable government taxes thereon, to calculate proceeds and resulting royalty payment.
- (D) In the event Lessee does not sell gas to others, Lessor shall be paid on the basis of the market price paid by the gas utility nearest to the leased premises for gas of like kind and quality, and on the same basis that such utility would pay for such gas, including any escalation in price that such utility would pay for such gas as if a contract for the sale of same had been entered into at the time of initial production.
5. All money due under this lease shall be paid or tendered to the Lessor by check made payable to the order of and mailed to: E-B Display Company, Inc., 1369 Sanders Ave. S.W., P.O. Box 650, Massillon, OH 44648, and the said named person shall continue as Lessor's agent to receive any and all sums payable under this lease regardless of changes in ownership in the premises, or in the oil or gas or their constituents, or in the rentals or royalties accruing hereunder until delivery to the Lessee of notice of change of ownership as hereinafter provided.
6. The Lessee shall, at Lessee's cost, lay a pipeline from the gas well on the leased premises, to each of the 3 existing facilities designated by Lessor for the purpose of taking gas produced from said well for use by Lessor on the leased premises, subject to the use and the right of abandonment of the well by the Lessee. The first three hundred thousand (300,000) cubic feet of gas taken each year shall be free of cost, but all gas in excess of three hundred thousand (300,000) cubic feet of gas taken in each year shall be paid for at the current wellhead price. Lessee to lay and maintain the pipelines to Lessor's building exterior wall of each of the 3 facilities and Lessee to furnish and install safety regulators, positive shut-off drips, meters and other necessary equipment at Lessee's expense. Lessor shall be responsible for the maintenance of the equipment immediately adjacent to Lessor's building exterior wall and for the maintenance of ancillary equipment within the interior of Lessor's building for each of the 3 facilities. This privilege is upon the condition that the Lessor shall subscribe to and be bound by the reasonable rules and regulations of the Lessee relating to the use of free gas, and Lessee shall maintain the said pipeline(s), regulator(s), meter(s) and equipment in good repair and free of all gas leaks and operate the same so as not to cause waste or unnecessary leaks of gas. If the Lessor shall take excess gas as aforesaid in any year and fail to pay for the same, the Lessee may deduct payment for such excess gas from any rentals or royalties accruing to the Lessor hereunder. However, in the event that the leased premises are unitized to form oil and gas drilling unit, only the Lessor may take free gas from any gas well which is on the leased premises.
7. In the event a well drilled hereunder is a dry hole and is plugged according to law, this lease shall become null and void and all rights of either party hereunder shall cease and terminate unless the Lessor shall commence and complete drilling operations for another well by the end of the primary term, or unless the Lessee makes the payment of delay rental as provided in Paragraph 3.
8. In the event a well drilled hereunder is a producing well and the Lessee is unable to market the production therefrom, due to the lack of a suitable market, this lease may be maintained in force and effect for successive periods of twelve (12) months each, not to exceed two (2) successive years beyond the expiration date of the primary term, provided Lessee shall pay to Lessor the sum of ten dollars (\$10.00) per year for each acre of the leased premises, such payment to be paid on or before sixty (60) days from the date such well is shut-in, and thereafter annually on or before the anniversary date of such payment.
9. The consideration, land rentals or royalties paid and to be paid, as herein provided, are and will be accepted by the Lessor as adequate and full consideration for all the rights herein granted to the Lessee.
10. The Lessor hereby grants to the Lessee the right at any time to consolidate all (but not less than all) the leased premises with other lands to form an oil and gas developmental unit of not more than fifty (50) acres, but the Lessee shall in no event be required to drill more than one well on such unit. Any well drilled on said development unit, whether or not located on the leased premises, shall nevertheless be deemed to be located upon the leased premises within the meaning and for the provisions and covenants of this lease to the same effect as if all the lands comprising said unit were described in and subject to this lease. Lessor shall be entitled to gas pursuant to Paragraph 6 hereof even if the wellhead on such unit is not located on the leased premises owned by Lessor. Lessor agrees to accept, in lieu of the one-eighth (1/8) oil and gas royalty hereinbefore provided, that portion of such one-eighth (1/8) royalty which the acreage consolidated bears for the total number of acres comprising said development unit. The Lessee shall effect such consolidation by executing a declaration of consolidation with the same terms as this oil and gas lease setting forth the leases or portions thereof consolidated, the royalty distribution and recording the same in the recorder's office at the courthouse in the county in which the leased premises are located and by mailing a copy thereof to the Lessor at the address hereinabove set forth unless the Lessee is furnished with another address. If the well on said development unit shall thereafter be shut in, the well rental for shut-in royalty hereinabove provided for such use shall be payable to the owner(s) of the parcels of land comprising said unit in the proportion that the acreage of each parcel bears to the entire acreage consolidated. Lessee shall have the right to amend, alter or correct any such consolidation at any time in the same manner as herein provided, and further provided that such amendment, alteration or correction is not contrary to or inconsistent with the provisions of this lease.
11. In case the Lessor owns a less interest in the above-described premises, than the entire and undivided fee simple therein, then the royalties and rentals herein provided for shall be paid to the Lessor only in the proportion which such interest bears in the whole and undivided fee. If said land is owned by two or more parties, or the ownership of any interest therein should hereafter be transferred by sale, devise or operation of law, said land, nevertheless, may be held, developed and operated as an entirety, and the rentals and royalties shall be divided among and paid to such several owners in the proportion that the acreage owned by such owner bears to the entire leased acreage.

12. No change of ownership in the leased premises or in the rentals or royalties hereunder shall be binding on the Lessee until after notice to the Lessee by delivery of notice, in writing, duly signed by the parties to the instrument of conveyance or assignment and delivery of a duly certified copy thereof to the Lessee.

13. This Lease may only be assigned in part or in its entirety by Lessee to any other current working interest owner(s) of the Lease, or any other member(s) or affiliate(s) or subsidiaries of the Lessee, without the written consent of the Lessor. Otherwise, any other assignment or any change in the operator of the Lease, will require the written consent of the Lessor, which consent shall not be unreasonably withheld. Failure of payment of rentals or royalty on any part of this lease shall not void this lease as to any other part, except as expressly provided in this lease. The Lessor further grants to the Lessee, for the protection of the Lessee's interest hereunder, the right to pay and satisfy any claim or lien against the Lessor's interest in the premises as herein leased and thereupon to become subrogated to the rights of such claimant or lien holder, and the right to direct payment of all rentals and royalties to apply on the payment of any existing liens on the premises. The lease will be subject to existing mortgages on the premises as well as to existing matters of public record.

14. The Lessee shall bury all pipelines used to conduct oil or gas to, on, through, and off the premises and pay all damages to the leased premises caused by operations under this lease. Lessee agrees to restore the premises in accordance with state laws. Any damages, if not mutually agreed upon, to be ascertained and determined by three disinterested persons, one thereof to be appointed by the Lessor, one by the Lessee, and the third by the two so appointed, and the award of such three persons shall be final and conclusive and binding on all parties. Each party shall pay the cost of their appraiser and shall share the cost of the third appraiser. Arbitration shall be mandatory. No well shall be drilled within one hundred (100) feet of any existing building.

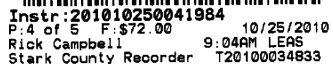
15. The Lessee shall have the privilege of using sufficient oil, gas and water produced from the leased premises for operating on the premises and the right at any time during or for a period of one (1) year after the expiration of this lease to remove all pipe, well casing, machinery, equipment or fixtures placed on the premises. The Lessee shall have the right to surrender this lease or any portion thereof by written notice to the Lessor describing the portion which it elects to surrender, or by returning the lease to the Lessor with the endorsement or surrender thereof, or by recording the surrender or partial surrender of this lease. Any attempt to surrender the lease by Lessee shall not relieve Lessee from the obligation to plug the well and to fully comply with all applicable laws, ordinances and regulations, and from its obligation to indemnify Lessee in accordance with the terms of this lease.

16. In the event the Lessee is unable to perform any of the acts to be performed by the Lessee by reason of force majeure, including but not limited to act of God, strikes, riots, and governmental restrictions including but not limited to restrictions on the use of roads, this lease shall nevertheless remain in full force and effect during the period of such force majeure delay. If the force majeure delay should commence during the primary term, the running of the primary term shall be suspended during the time of such force majeure delay; otherwise, Lessee shall have a period of ninety (90) days after the termination of any force majeure event within which to resume its obligations hereunder, provided, however, that Lessee must provide written notice to Lessor of any such force majeure event within fourteen (14) days of the commencement thereof.

17. Lessee shall at all times upon demand, protect, indemnify, defend and reimburse Lessor against and for any and all claims, demands or liabilities and reasonable costs and expenses (including attorneys fees) incident to any personal injury or property damage to other parties resulting from Lessee's operations hereunder. Lessee will further indemnify, hold harmless, and defend Lessor against any claim, demand, cost, liability, loss, or damage suffered by Lessor arising out of the following activities conducted by Lessee, or those having a contractual relationship with Lessee, on or around the leased premises: (1) any activity expressly or impliedly authorized or required by this lease; (2) plugging and abandonment of producing wells, non-producing wells, existing well bores, or previously plugged well bores; (3) management, use, and disposal of produced water and wastes or substances associated with Lessee's activities; (4) the generation, processing, handling, transportation, storage, treatment, recycling, marketing, use, disposal, release, or threatened release, of oil, natural gas, natural gas liquids, all other petroleum substances, any waste material, or any "Hazardous Substance" or "Pollutant or Contaminant" as those terms are defined by the Comprehensive Environmental Response Compensation and Liability Act (CERCLA). Lessee's indemnity also includes any environmental problem associated with the oil and gas exploration, drilling, development, production, treating, storage, transportation, marketing, processing, abandonment, and related activities on the leased premises. Lessee's obligations created hereby are continuing obligations that will continue in effect, and be enforceable by Lessor, even after the lease terminates or otherwise ceases to burden the leased premises. Liability insurance policies maintained by Lessee shall name Lessor, its employees and agents as an Additional Insured.

18. In the event Lessor considers that Lessee has not complied with any of its obligations hereunder, either express or implied, Lessor shall notify Lessee in writing setting out specifically in what respects Lessee has breached this contract. Lessee shall then have thirty (30) days after receipt of said notice within which to cure all of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, including statutory lease forfeiture, and no such action shall be commenced until the lapse of thirty (30) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any part of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all of its obligations hereunder.

19. All covenants and conditions between the parties herein that extend to their heirs, personal representatives, successors, successors and assigns, and the Lessor hereby warrants and agrees to defend the title to the lands herein described. Lessor further agrees to sign such additional documents as may be reasonably required by Lessor to perfect Lessee's title to the oil and gas issued herein and such other documents relating in the sale of production as may be reasonably required by Lessee or others. This lease contains all of the agreements and understandings of



IN WITNESS WHEREOF, the Lessors have hereunto set their hands.

LESSEE:
M & M ROYALTY, LTD.

Printed: **Michael S. Rotolo**

Printed: MATT EGNOTOVICH

State of Ohio)
)SS:
Stark County)

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at Massillon, Ohio, this 30th day of September, 2010.



Heidi L. Engle
Notary Public, State of Ohio
My Commission Expires 5-19-2013

Neida L. Engle
Notary Public

My Commission expires: _____

State of Ohio)
)SS:
Stark County)

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at Massillon, Ohio, this 30th day of September, 2010



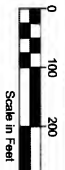
Heidi L. Engle
Notary Public, State of Ohio
My Commission Expires 5-19-2013

Heidi L. Engle
Notary Public

My Commission expires: _____

M & M Royalty, Ltd.
5377 Lauby Rd., N.W. Ste. #202
North Canton, OH 44720
330/497-4343
PA12100N12141\12141 Oil and Gas Lease Clean Revised 09.27.10.doc

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Rick Campbell Stark County Recorder T2010034833



M. B. Bodo
Approved
10/15/18

Ohio Drilling Co.
10/15/18

Sec 18
Sec 19
Sec 17
Sec 16

Names and acreages compiled from the Stark County Auditor's and/or Recorder's records.

Plat Showing Location of Well
State of Ohio, Department of Natural Resources - Division of Mineral Resource Management, Columbus, Ohio

E-B Display Unit No. 1

Scale: 1" = 200'

XX Oil or Gas
XX New Location

I hereby state that all drilling or producing wells within 1000 feet and all public roads, railroads, buildings and streams within 200 feet have been shown; there are no drilling unit lines nearer than 500 feet, that this plat is true and correct and was prepared according to the current Ohio Department of Natural Resources, Division of Mineral Resource Management (OAC 1501:9-1).

David Bodo & Associates, Inc.

Professional Surveyors
5175 Tongo Rd NW, Carrollton, Ohio, 44615
(330) 963-2200 MMR 1885

Registered Surveyor Number 8321 or Registered Surveyor Number 8239

Operator: M. & M. Royalty, LTD.

Address: 5377 Lundy Road NW, Suite 202, North Canton, Ohio, 44720

Landowner: E-B Display Company, Inc.

Well Number: 1 Minerals: See Map

County: Stark Township: Perry

Unamended Area: City of Massillon

Quadrant: Massillon (NAD 83)

Plane Coordinates (NAD 27)

X Y

Distances to Original PLSS Lines

Subdivision Civil Township

Township: 10 N

Range: 9 W

Section: 19

Lot: --

Tract: --

Subdivision: Congress, Lands North of the Old Seven Ranges

FEMA Panel No.: 3906170005C

Zone: "C" Effective Date: July 5, 1982

Elevation: -- Date: 10/06/2010

Coordinates are based on actual GPS field observations